

**MINUTES OF THE
TRANSPORTATION, ENVIRONMENTAL QUALITY & NATIONAL GUARD
APPROPRIATIONS SUBCOMMITTEE
Room W010, West Office Building, State Capitol Complex**

Wednesday, January 30, 2008

MEMBERS PRESENT: Sen. Carlene Walker, Co-Chair
Rep. Wayne Harper, Co-Chair
Sen. Fred Fife
Rep. Glenn A. Donnelson
Rep. Neil Hansen
Rep. Neal B. Hendrickson
Rep. Todd E. Kiser
Rep. Becky Lockhart
Rep. Patrick Painter
Rep. Kenneth Sumsion

MEMBERS ABSENT: Sen. Sheldon Killpack
Sen. John Valentine

STAFF PRESENT: Mark C. Bleazard, Fiscal Analyst
Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Sen. Walker called the meeting to order at 2:15 p.m.

National Guard

MOTION: Rep. Kiser moved to approve the base budget of \$57,803,200 for FY 2009 for Utah National Guard. The motion passed unanimously with, Rep. Hansen, Rep. Lockhart, and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to approve \$500,000 on-going from the General Fund for tuition assistance for FY 2009 for the National Guard. The motion passed unanimously with, Rep. Hansen, Rep. Lockhart, and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to approve \$54,300 from the General Fund as a replacement of Federal Funds in the IT Services area of the Utah National Guard. The motion passed unanimously with Rep. Hansen, Rep. Lockhart, and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to place on the committee's priority list an appropriation of \$51,200 for an additional FTE for the Utah National Guard. The motion passed unanimously with Rep. Hansen, Rep. Lockhart, and Rep. Painter absent for the vote.

Veterans Affairs

MOTION: Rep. Kiser moved to approve the base budget for Veterans' Affairs of \$831,800. The motion passed unanimously with Rep. Hansen and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to approve \$200,000 ongoing from the General Fund for Veterans' Affairs. The motion passed unanimously with Rep. Hansen and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to approve for FY 2009 the Veterans' Affairs fees as follows:

	Current Rate	Proposed Rate	# units
Veterans' Burial Fee	300.00	300.00	
200			
Spouse/Dependent Burial Fee	400.00	400.00	
45			
Saturday Burial Fee	500.00	500.00	
2			
Lawn Vases	60.00	60.00	
20			
Disinterment Single Depth		600.00	
Unknown			
Disinterment Double Depth		900.00	
Unknown			

The motion passed unanimously with Rep. Hansen and Rep. Painter absent for the vote.

MOTION: Rep. Kiser moved to approve the following intent language for Veterans' Affairs:

Under terms of Section 63-38-8 Utah Code Annotated the Legislature intends that \$350,700 for the Veterans' Affairs Program provided by item 224 of Senate Bill 1 2008 General Session not lapse at the close of fiscal year 2009.

Under terms of Section 63-38-8 Utah Code Annotated the Legislature intends that \$340,500 for the Veterans' Cemetery Program provided by item 224 of Senate Bill 1 2008 General Session not lapse at the close of fiscal year 2009.

Under terms of Section 63-38-8 Utah Code Annotated the Legislature intends that \$140,600 for the Veterans' Nursing Home provided by item 224 of Senate Bill 1 2008 General Session not lapse at the close of fiscal year 2009.

The motion passed unanimously with Rep. Hansen and Rep. Painter absent for the vote.

Department of Transportation

Mark Bleazard, Fiscal Analyst, briefly reviewed the recent funding history of UDOT and pointed out that the current budget is an increase of 2.31%. This is good news, but the petroleum costs

Transportation, Environmental Quality & National Guard Appropriations Subcommittee

January 30, 2008

Page 3

for fuel and paving materials are also up. Four critical concerns are: bridges, choke points, congestion relief, and rights of way acquisition. Pavement condition is becoming a concern, and the department will have 430 new lane-miles of highway this year. Challenges include the slow growth in the transportation fund. The department is being innovative in ways to save money and reduce impact on drivers such as the bridge built on I-215.

Aeronautics

The Division of Aeronautics is responsible for statewide aeronautical navigation by providing radio navigational aids and air safety standards. The Division owns and operates three VOR/DME navigational radio stations, a Non-Directional Beacon navigational radio station, and three Automated Weather stations. They supply executive air transportation for the Governor and state agencies and aeronautical charts and airport directories to the flying public. The base budget recommendation for the Aeronautics Division for FY 2009 is \$27,246,800 which includes funding for five programs: \$474,000 for Administration, \$23,536,100 for Airport Construction, \$75,000 for Civil Air Patrol, \$2,240,000 for Aid to Local Airports, and \$921,700 for Airplane Operations. It was pointed out on a spread sheet that \$25,530,449 in Federal Funds was budgeted for airport construction projects in FY 2008 and \$30,268,449 in FY2009.

The Division has logged over 500 flight hours annually for the past several years for executive travel. They currently own and operate two twin-engine cabin class executive airplanes. Federal regulations require maintenance and replacement of certain mechanical parts in state owned planes. Past experience has shown that it is fiscally more advantageous to replace an airplane than to do the heavy maintenance required by federal laws. The 1998 King Air C90 owned by the state is now scheduled for major maintenance. It was purchased new for \$2,617,423 and has a resale value of \$1,300,000. A new King Air C90GT is estimated to cost \$2,900,000 leaving a balance of \$1,600,000 needed if a replacement is purchased. The Analyst deems this a fiscally correct decision and is recommending an appropriation of \$1,600,000 from the Transportation Restricted Fund-Aeronautics for purchase of a King Air C90GT airplane. The possibility of renting or leasing rather than owning was discussed. Tracy Conti of UDOT Operations reported that the cost is less to lease, but then there is no residual value. There is heavy use of the state owned planes primarily by the DFCM and Department of Health, and they pay for that use to the State. In FY 2007 that actual amount was \$880,100 showing as Dedicated Credits Revenue. John Njord, Director of UDOT, explained that the planes are well used and well maintained because of the caliber of people transported. Carlos Braceras, Deputy Director, reported that all

departments assess the most cost effective means of transportation when travel is necessary.

Rep. Lockhart introduced Mayor Lewis Billings of Provo who brought two boys, Ben Billings and Carson Robie, to explain the importance of aerial surveillance in Utah Valley. It was explained that currently there is no radar coverage of Utah Valley below 8,500 feet. The technology being considered is Beacon Interregator 6. They have a verbal commitment from the Federal Aviation Administration that if \$2,000,000 can be raised locally, the FAA will pay the

Transportation, Environmental Quality & National Guard Appropriations Subcommittee

January 30, 2008

Page 4

balance. Utah Valley is asking for \$1,250,000, one time funding to install this system, and they are contacting local stakeholders to raise the remaining \$750,000. This is an economic development issue for the State.

Val Peterson, Utah Valley University, discussed the importance of this issue to their flight program which includes about 3,000 students who take classes at the airport. Lincoln Shurtz, Utah League of Cities and Towns, also spoke in favor of this measure because of flight safety concerns and economic development opportunities.

Mineral Lease

The Mineral Lease program is a pass-through program in which the Department of Transportation distributes 40% of all deposits made to the Mineral Lease Account to special service districts impacted by mineral development and to counties in which school or institutional trust lands are located or lands owned by the Division of Parks and Recreation, and or lands owned by the Division of Wildlife Resources that are not under an in lieu of taxes contract. The base budget for FY 2009 is recommended at \$49,669,000 which is the amount appropriated last year. This includes funding for Mineral Lease Payments at \$47,200,000 and for Mineral Lease - Payments in Lieu at \$2,469,000. The actual expenditure in FY 2007 was \$51,288,000. The Mineral Lease program includes the following intent language:

It is the intent of the Legislature that the funds appropriated from the Federal Mineral Lease Account shall be used for improvement or reconstruction of highways that have been heavily impacted by energy development.

It is the intent of the Legislature that if private industries engaged in developing the State's natural resources are willing to participate in the cost of the construction of highways leading to their facilities, that local governments consider that highway as a higher priority as they prioritize the use of Mineral Lease funds received through 59-21-1(3)(d). The funds appropriated for improvement or reconstruction of energy impacted highways are non-lapsing.

The analyst anticipates that there will be a reduction in Federal funding in the Mineral Lease Fund. The reduction to UDOT Special Service Districts would be \$1,088,000. UDOT doesn't actually spend this money.

Sidewalk Construction

The purpose of this program is to fund the cost of correcting pedestrian hazards and other safety projects on State highways. These funds are matched with funding from local governments. The formula for distribution is based on the three following areas: Population estimates make up 25% of the criteria. School enrollments for the previous school year make up another 25%. Pedestrian accidents on state highways make up the remaining 50%. The base budget for FY

Transportation, Environmental Quality & National Guard Appropriations Subcommittee
January 30, 2008
Page 5

2009 in \$500,000. There are more applicants than can be funded. The following intent language is included in the Sidewalk Construction line item in FY 2008:

It is the intent of the Legislature that the funds appropriated from the Transportation Fund for pedestrian safety projects be used specifically to correct pedestrian hazards on State highways.

It is also the intent of the Legislature that local authorities be encouraged to participate in the construction of pedestrian safety devices. The appropriated funds are to be used according to the criteria set forth in Section 72-8-104, Utah code Annotated, 1953. The funds appropriated for sidewalk construction shall not lapse. If local governments cannot use their allocation of Sidewalk Safety Funds in two years, these funds will be available for other governmental entities which are prepared to use the resources. It is the intent of the Legislature that local participation in the Sidewalk Construction Program be on a 75% state and 25% local match basis.

Elevated pedestrian walkways are not covered in this program as they are considerably more expensive. Director Njord explained that this programs results in some very small projects, and in some cases the local 25 % is not in cash but in labor.

Equipment Management

The Equipment Management program is organized into two primary programs: Equipment Purchases and Central Repair Shops. The Division is responsible for management, maintenance and repair of the Department's 3,994 unit, \$57,000,000 fleet. They have 88 employees and expend over \$18,000,000 to operate, maintain and purchase replacement units. The FY 2009 base budget recommendation is \$18,364,300 for the two programs. The total recommendation for Equipment Purchases is \$8,369,200 with \$7,891,300 anticipated purchases for road equipment, \$25,000 for small shop tools and equipment, \$90,000 for 800 MHZ, \$32,900 for 150 MHZ radios, and \$330,000 for fleet upgrades. This amount is not keeping up with needs, and the Department estimates that there is a \$22,000,000 shortage. The estimated expenditure for the Central Repair Shops is \$9,995,100 which is used for preventive maintenance and repair of all department-owned vehicles, trucks and maintenance equipment. The actual expenditure

for FY 2007 was \$28,368,000 and the appropriated amount for FY 2008 is \$18,364,300.

The Department has requested an increase of \$2,977,600 to purchase 16 new units to be used on the 430 additional lane miles added in 2008. This is the first requested increase since the completion of I-15 in FY 2002. The analyst recommends that the committee appropriate \$2,977,600 from Transportation Funds in FY 2009 for equipment purchases.

Director Njord reminded the committee of the efficiencies of the department in using the same personnel for construction and maintenance. With additional surface area, more equipment and personnel are needed. Carlos Braceras, Deputy Director, explained that they planned for 20 storms and spend about \$1,000,000 per storm. The \$18,000,000 budgeted for snow removal will be exceeded before the end of the winter. There has been a problem with loss of trained equipment operators to other entities in the past, but the Department is confident that they'll be able to find the operators for additional equipment.

The Analyst reminded the committee that they have until noon tomorrow to make appropriations requests.

MOTION: Rep. Lockhart moved to place on the committee's priority list an appropriation of \$1,250,000 one-time from the General Fund for radar for Utah Valley. The motion passed unanimously with Rep. Painter and Rep. Sumsion absent for the vote.

MOTION: Rep. Hendrickson moved to adjourn. The motion passed unanimously with Rep. Donnelson, Rep. Painter, and Rep. Sumsion absent for the vote.

Sen. Walker adjourned the meeting at 3:55 p.m.

Rep. Wayne Harper, Co-Chair

Sen. Carlene Walker, Co-Chair